

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No. * SR 2022 - * 30

Amendment No. (req. for Amendments *)

Filing by Miami International Securities Exchange, LLC.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
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Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule		
			<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010
Section 806(e)(1) *

Section 806(e)(2) *

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 3C(b)(2) *

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

Proposal to amend Interpretation and Policy .03 to Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments, to change the minimum increment for all series of SPIKES options.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Michael Last Name * Slade

Title * AVP, Associate Counsel

E-mail * mslade@miami-holdings.com

Telephone * (609) 955-0460 Fax

Signature

Pursuant to the requirements of the Securities Exchange of 1934, Miami International Securities Exchange, L has duty caused this filing to be signed on its behalf by the undersigned thereunto duty authorized.

Date 09/13/2022

(Title *)

By Michael Slade

(Name *)

AVP, Associate Counsel

NOTE: Clicking the signature block at right will initiate digitally signing the form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Michael Slade Date: 2022.09.13 16:29:59 -04'00'

Required fields are shown with yellow backgrounds and astericks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EDFS website.

Form 19b-4 Information *

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SR-MIAX-2022-30 -19b4 revised 0912

The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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SR-MIAX-2022-30 - Exhibit 1.docx

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advanced Notice by Clearing Agencies *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2- Notices, Written Comments, Transcripts, Other Communications

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit Sent As Paper Document

Exhibit 3 - Form, Report, or Questionnaire

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit Sent As Paper Document

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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SR-MIAX-2022-30 - Exhibit 5 (7-22-22)

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change

Partial Amendment

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. **Text of the Proposed Rule Change**

(a) Miami International Securities Exchange, LLC (“MIAX” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposal to amend Interpretation and Policy .03 to Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments.

Notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. The proposed amendment to the Exchange’s rules is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. **Procedures of the Self-Regulatory Organization**

The proposed rule change was approved by the Chief Executive Officer of the Exchange or his designee pursuant to authority delegated by the MIAX Board of Directors on June 16, 2022. Exchange staff will advise the Board of Directors of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the proposed rule change.

Questions and comments on the proposed rule change may be directed to Michael Slade, Assistant Vice President, Associate Counsel, at (609) 897-8499.

3. **Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

a. Purpose

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The Exchange proposes to amend Interpretation and Policy .03 to Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments, to change the minimum increment for all series of options on the SPIKES[®] Index³ (“SPIKES options”). Currently, the minimum trading increment for SPIKES options is as follows: (1) if the options series is trading at less than \$3.00, five (5) cents; and (2) if the options series is trading at \$3.00 or higher, ten (10) cents.⁴ The Exchange now proposes to amend Interpretation and Policy .03 to Exchange Rule 510 to change the minimum increment for SPIKES options to the following: (1) if the options series is trading at less than \$3.00, one (1) cent; and (2) if the options series is trading at \$3.00 or higher, five (5) cents.

The Exchange believes market demand (including by retail investors, who generally prefer lower trading increments) supports a lower trading increment for these series. The Exchange expects this more granular pricing to lead to narrowing of the bid-ask spread for these options and increase the possible number of price points available to investors for these series. The Exchange believes tighter spreads will increase order flow in SPIKES options, which additional liquidity ultimately benefits all investors. Finer increments also permit more precise pricing in line with the theoretical value of these options. Additionally, penny pricing will be, but is not yet, available in options on the Cboe Volatility Index (“VIX options”), which is a competing product with SPIKES options trade on the Cboe Exchange, Inc. (“Cboe”).⁵ The

³ The SPIKES Index measures the expected 30-day volatility of the SPDR[®] S&P 500 ETF Trust (commonly known and referred to by its ticker symbol, “SPY”). See Securities Exchange Act Release No. 84417 (October 12, 2018), 83 FR 52865 (October 18, 2018) (SR-MIAX-2018-14) (Order Granting Approval of a Proposed Rule Change by Miami International Securities Exchange, LLC to List and Trade on the Exchange Options on the SPIKES[®] Index).

⁴ See Exchange Rule 510, Interpretation and Policy .03.

⁵ See Securities Exchange Act Release No. 95102 (June 14, 2022), 87 FR 36898 (June 21, 2022) (SR-CBOE-2022-027) (proposal to amend the minimum price increment for VIX

Exchange notes that the proposal to list VIX options in penny increments was noticed by the Commission on June 14, 2022, with the Commission granting waiver of the 30-day operative delay.⁶ As a result, the Exchange believes penny pricing for SPIKES options is necessary for competitive reasons to allow the Exchange to price these options at the same level of granularity as permitted for competitor products.⁷

Further, the Exchange believes market demand supports a lower trading increment for series of SPIKES options, particularly demand by retail investors, who generally prefer lower trading increments. The Exchange is in the process of implementing a robust retail-oriented program for SPIKES options, including new educational programs and materials and potentially

options not listed under the Nonstandard Expirations Pilot Program to be \$0.01 for series trading lower than \$3.00 and \$0.05 for series trading at \$3.00 or higher) (the “VIX Options Penny Notice”). The Exchange notes that series of VIX options listed under the Nonstandard Expirations Pilot Program (“VIXW options”) currently trade with a minimum increment of \$0.01 for all series trading prices. See Cboe Exchange, Inc. Rule 5.4(a).

⁶ See id. The Exchange notes that Cboe stated in their rule filing that Cboe “will issue a Notice to Trading Permit Holders...with appropriate advanced notice announcing the implementation date of the proposed rule change.” See SR-CBOE-2022-027, available at https://www.cboe.com/us/options/regulation/rule_filings/ (last visited July 22, 2022). Accordingly, based on a review of Cboe’s rulebook as well as Cboe’s regulatory and trading notices to their members, the Exchange believes Cboe has not yet implemented penny pricing in VIX options.

⁷ See id. The Exchange notes that part of the justification for the proposal to list VIX options in penny increments was based on the fact that if the Penny Interval Program (see Exchange Rule 510(c) and MIAX Options Penny Class List, available at <https://www.miaxoptions.com/options-penny-pilot>) was open to singly-listed options (and not just multiply-listed options classes), VIX options would be eligible for inclusion in the Penny Interval Program. See VIX Options Penny Notice, supra note 5. Although volume in SPIKES options does not currently meet the requirements of the Penny Interval Program, the Commission has previously allowed singly-listed options to be quoted in penny increments when such options, irrespective of volume, were designed to track the same indexes as multiply-listed options that were in the pilot version (at the time) of the Penny Interval Program. See Securities Exchange Act Release No. 56565 (September 27, 2007), 72 FR 56403, 56406 (October 3, 2007) (SR-CBOE-2007-98) (approving Cboe’s proposal to list and trade XSP and DJX options in penny increments).

through changes to the MIAX Fee Schedule for transactions in SPIKES options, among other things. The proposed change to move to penny pricing for SPIKES options would further this goal by providing retail market participants the ability to trade SPIKES options in lower trading increments. The Exchange believes that lower trading increments in SPIKES options will boost retail participation on the Exchange, which should strengthen the market quality for SPIKES options for all market participants, leading to more trading opportunities and tighter spreads.

With regard to the impact of this proposed rule change on system capacity, the Exchange has analyzed its capacity and represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle any potential additional traffic associated with this proposal. The Exchange does not believe any potential increased traffic will become unmanageable since this proposed rule change with respect to minimum trading increments is limited to a single class of options. The proposed rule change does not impact the number of expirations or strike prices for SPIKES options the Exchange may list pursuant to Exchange Rule 1809(a)(3).

The Exchange will issue a notice to Members⁸ via Regulatory Circular with appropriate advanced notice announcing the implementation date of the proposed rule change.

b. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that it is

⁸ The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

designed to prevent fraudulent and manipulative practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change will permit more granular pricing in SPIKES options, which may lead to narrowing of the bid-ask spread for these options and increase the possible number of price points available to investors for these series, which ultimately increases liquidity to the benefit of all investors. In particular, the Exchange believes the proposed change will further the Exchange's goal of providing retail market participants the ability to trade SPIKES options in lower trading increments, which will strengthen the market quality for SPIKES options for all market participants, leading to more trading opportunities and tighter spreads. The Exchange believes stronger market quality and more trading opportunities based on a lower trading increment for SPIKES options promotes just and equitable principles of trade, facilitates transactions in SPIKES options and removes impediments to the mechanism of a free and open market for SPIKES options.

Additionally, as discussed above, at least one competing exchange, Cboe, has filed to allow a competitive product, VIX options, to trade in penny and nickel increments once Cboe implements that change. Therefore, the proposed change will and promote just and equitable

¹¹ 15 U.S.C. 78f(b)(5).

principles of trade and remove impediments to and perfect the mechanism of a free and open market by allowing SPIKES options to trade at the same level of granularity as permitted for competitor products like VIX options. Further, the Commission has previously allowed singly-listed options to be quoted in penny increments when such options were designed to track the same indexes as multiply-listed options that were in the pilot version (at the time) of the Penny Interval Program.¹²

4. **Self-Regulatory Organization's Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change will not impose any burden on intramarket competition that is not necessary or appropriate, because all Exchange Members will be able to trade SPIKES options in the proposed minimum trading increments.

The proposed rule change will not impose any burden on intermarket competition that is not necessary or appropriate, because it will permit SPIKES options to have pricing consistent with the pricing of a competitive product, VIX options, that currently trades in increments of \$0.01 or \$0.05.

Additionally, the proposed rule change to permit SPIKES options to be listed in penny and nickel increments may relieve any burden on, or otherwise promote, competition, as it will allow market participants to trade these options at the same level of granularity as permitted for competitor products. The Exchange also expects the more granular pricing to lead to narrowing of the bid-ask spread for these options, which the Exchange believes will increase order flow and price competition in SPIKES options.

¹² See supra note 7.

5. **Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others**

No written comments were either solicited or received.

6. **Extension of Time Period for Commission Action**

Not applicable.

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)**

Pursuant to Section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6)¹⁴ thereunder, the Exchange has designated this proposal as one that effects a change that: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest. The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, prior to the date of filing the proposed rule change as required by Rule 19b-4(f)(6).¹⁵ The Exchange believes that the proposed change does not raise any new, unique, or substantive issues not already considered by the Commission in a competing product filing and previously for singly-listed options that were not in the penny pilot program, but were allowed to trade in penny increments.¹⁶

The Exchange believes the proposed rule change will not significantly affect the protection of investors or the public interest because it will permit more granular pricing in

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ Id.

¹⁶ See supra notes 5 and 7.

SPIKES options, which may lead to narrowing of the bid-ask spread for these options and increase the possible number of price points available to investors for these series. The Exchange believes that the narrowing of the bid-ask spread and increase in possible number of price points will ultimately lead to an increase in SPIKES options order flow, which benefits all investors. The Exchange believes the proposed rule change will not impose any significant burden on competition, because all Members will be able to trade SPIKES options in the proposed minimum trading increments. The proposed rule change will also permit SPIKES options to have pricing consistent with the pricing of a competitive product, VIX options, that Cboe rule filed to be able to trade VIX options in increments of \$0.01 or \$0.05, which filing was noticed by the Commission with waiver of the operative delay granted.

For the foregoing reasons, the Exchange believes this rule filing qualifies as a “non-controversial” rule change under Rule 19b-4(f)(6), which renders the proposed rule change effective upon filing with the Commission. At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective to permit the proposed rule change to become operative as soon as possible, which will benefit investors by permitting pricing that may lead to narrower spreads and increased liquidity as soon as practicable while providing sufficient time for Members to adjust their systems. As discussed

above, the proposed rule change to list an index option class in penny and nickel increments is not novel or unique. Waiver of the operative delay will also permit investors in the near-term to begin pricing SPIKES options in an increment at the same level of granularity as currently permitted for at least one competitor product, VIX options (although Cboe has not implemented that change yet). Permitting penny pricing for options because competitive products are able to trade in penny increments is not novel or unique. Therefore, the Exchange believes a waiver of the operative delay is reasonable and appropriate.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed change is similar to the recent change by Cboe related to the change in price increments for VIX options.¹⁷

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

1. Notice of proposed rule for publication in the Federal Register.

5. Text of proposed rule change.

¹⁷ See supra note 5.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-MIAX-2022-30)

September _____, 2022

Self-Regulatory Organizations: Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange, LLC to Amend Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on September ____, 2022, Miami International Securities Exchange, LLC (“MIAX Options” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend Interpretation and Policy .03 to Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments.

The text of the proposed rule change is available on the Exchange’s website at <http://www.miaxoptions.com/rule-filings/> at MIAX Options’ principal office, and at the Commission’s Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Interpretation and Policy .03 to Exchange Rule 510, Minimum Price Variations and Minimum Trading Increments, to change the minimum increment for all series of options on the SPIKES[®] Index³ (“SPIKES options”). Currently, the minimum trading increment for SPIKES options is as follows: (1) if the options series is trading at less than \$3.00, five (5) cents; and (2) if the options series is trading at \$3.00 or higher, ten (10) cents.⁴ The Exchange now proposes to amend Interpretation and Policy .03 to Exchange Rule 510 to change the minimum increment for SPIKES options to the following: (1) if the options series is trading at less than \$3.00, one (1) cent; and (2) if the options series is trading at \$3.00 or higher, five (5) cents.

The Exchange believes market demand (including by retail investors, who generally prefer lower trading increments) supports a lower trading increment for these series. The Exchange expects this more granular pricing to lead to narrowing of the bid-ask spread for these

³ The SPIKES Index measures the expected 30-day volatility of the SPDR[®] S&P 500 ETF Trust (commonly known and referred to by its ticker symbol, “SPY”). See Securities Exchange Act Release No. 84417 (October 12, 2018), 83 FR 52865 (October 18, 2018) (SR-MIAX-2018-14) (Order Granting Approval of a Proposed Rule Change by Miami International Securities Exchange, LLC to List and Trade on the Exchange Options on the SPIKES[®] Index).

⁴ See Exchange Rule 510, Interpretation and Policy .03.

options and increase the possible number of price points available to investors for these series. The Exchange believes tighter spreads will increase order flow in SPIKES options, which additional liquidity ultimately benefits all investors. Finer increments also permit more precise pricing in line with the theoretical value of these options. Additionally, penny pricing will be, but is not yet, available in options on the Cboe Volatility Index (“VIX options”), which is a competing product with SPIKES options trade on the Cboe Exchange, Inc. (“Cboe”).⁵ The Exchange notes that the proposal to list VIX options in penny increments was noticed by the Commission on June 14, 2022, with the Commission granting waiver of the 30-day operative delay.⁶ As a result, the Exchange believes penny pricing for SPIKES options is necessary for competitive reasons to allow the Exchange to price these options at the same level of granularity as permitted for competitor products.⁷

⁵ See Securities Exchange Act Release No. 95102 (June 14, 2022), 87 FR 36898 (June 21, 2022) (SR-CBOE-2022-027) (proposal to amend the minimum price increment for VIX options not listed under the Nonstandard Expirations Pilot Program to be \$0.01 for series trading lower than \$3.00 and \$0.05 for series trading at \$3.00 or higher) (the “VIX Options Penny Notice”). The Exchange notes that series of VIX options listed under the Nonstandard Expirations Pilot Program (“VIXW options”) currently trade with a minimum increment of \$0.01 for all series trading prices. See Cboe Exchange, Inc. Rule 5.4(a).

⁶ See *id.* The Exchange notes that Cboe stated in their rule filing that Cboe “will issue a Notice to Trading Permit Holders...with appropriate advanced notice announcing the implementation date of the proposed rule change.” See SR-CBOE-2022-027, available at https://www.cboe.com/us/options/regulation/rule_filings/ (last visited July 22, 2022). Accordingly, based on a review of Cboe’s rulebook as well as Cboe’s regulatory and trading notices to their members, the Exchange believes Cboe has not yet implemented penny pricing in VIX options.

⁷ See *id.* The Exchange notes that part of the justification for the proposal to list VIX options in penny increments was based on the fact that if the Penny Interval Program (see Exchange Rule 510(c) and MIAx Options Penny Class List, available at <https://www.miaxoptions.com/options-penny-pilot>) was open to singly-listed options (and not just multiply-listed options classes), VIX options would be eligible for inclusion in the Penny Interval Program. See VIX Options Penny Notice, *supra* note 5. Although volume in SPIKES options does not currently meet the requirements of the Penny Interval Program, the Commission has previously allowed singly-listed options to be quoted in penny increments when such options, irrespective of volume, were designed to

Further, the Exchange believes market demand supports a lower trading increment for series of SPIKES options, particularly demand by retail investors, who generally prefer lower trading increments. The Exchange is in the process of implementing a robust retail-oriented program for SPIKES options, including new educational programs and materials and potentially through changes to the MIAX Fee Schedule for transactions in SPIKES options, among other things. The proposed change to move to penny pricing for SPIKES options would further this goal by providing retail market participants the ability to trade SPIKES options in lower trading increments. The Exchange believes that lower trading increments in SPIKES options will boost retail participation on the Exchange, which should strengthen the market quality for SPIKES options for all market participants, leading to more trading opportunities and tighter spreads.

With regard to the impact of this proposed rule change on system capacity, the Exchange has analyzed its capacity and represents that it and the Options Price Reporting Authority have the necessary systems capacity to handle any potential additional traffic associated with this proposal. The Exchange does not believe any potential increased traffic will become unmanageable since this proposed rule change with respect to minimum trading increments is limited to a single class of options. The proposed rule change does not impact the number of expirations or strike prices for SPIKES options the Exchange may list pursuant to Exchange Rule 1809(a)(3).

track the same indexes as multiply-listed options that were in the pilot version (at the time) of the Penny Interval Program. See Securities Exchange Act Release No. 56565 (September 27, 2007), 72 FR 56403, 56406 (October 3, 2007) (SR-CBOE-2007-98) (approving Cboe's proposal to list and trade XSP and DJX options in penny increments).

The Exchange will issue a notice to Members⁸ via Regulatory Circular with appropriate advanced notice announcing the implementation date of the proposed rule change.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹⁰ in particular, in that it is designed to prevent fraudulent and manipulative practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹¹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the proposed rule change will permit more granular pricing in SPIKES options, which may lead to narrowing of the bid-ask spread for these options and increase the possible number of price points available to investors for these series, which ultimately increases liquidity to the benefit of all investors. In particular, the Exchange believes the proposed change will further the Exchange's goal of providing retail market participants the ability to trade SPIKES options in lower trading increments, which will strengthen the market quality for

⁸ The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78f(b)(5).

SPIKES options for all market participants, leading to more trading opportunities and tighter spreads. The Exchange believes stronger market quality and more trading opportunities based on a lower trading increment for SPIKES options promotes just and equitable principles of trade, facilitates transactions in SPIKES options and removes impediments to the mechanism of a free and open market for SPIKES options.

Additionally, as discussed above, at least one competing exchange, Cboe, has filed to allow a competitive product, VIX options, to trade in penny and nickel increments once Cboe implements that change. Therefore, the proposed change will and promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market by allowing SPIKES options to trade at the same level of granularity as permitted for competitor products like VIX options. Further, the Commission has previously allowed singly-listed options to be quoted in penny increments when such options were designed to track the same indexes as multiply-listed options that were in the pilot version (at the time) of the Penny Interval Program.¹²

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change will not impose any burden on intramarket competition that is not necessary or appropriate, because all Exchange Members will be able to trade SPIKES options in the proposed minimum trading increments.

The proposed rule change will not impose any burden on intermarket competition that is not necessary or appropriate, because it will permit SPIKES options to have pricing consistent

¹² See supra note 7.

with the pricing of a competitive product, VIX options, that currently trades in increments of \$0.01 or \$0.05.

Additionally, the proposed rule change to permit SPIKES options to be listed in penny and nickel increments may relieve any burden on, or otherwise promote, competition, as it will allow market participants to trade these options at the same level of granularity as permitted for competitor products. The Exchange also expects the more granular pricing to lead to narrowing of the bid-ask spread for these options, which the Exchange believes will increase order flow and price competition in SPIKES options.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6)¹⁴ thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>);
- or
- Send an e-mail [to rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2022-30 on the subject line

Paper comments:

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2022-30. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F

Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR-MIAX-2022-30 and should be submitted on or before [insert date 21 days from publication in the Federal Register]. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Vanessa Countryman
Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

New text is underlined;
Deleted text is in [brackets]

MIAX Options Exchange Rules

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Rule 510. Minimum Price Variations and Minimum Trading Increments

(a) – (c) No Change.

Interpretations and Policies:

.01 – .02 No Change.

.03 **SPIKES Index Options.** Notwithstanding any other provision of this Rule 510, the minimum trading increment for options on the SPIKES Index shall be as follows: (1) if the options series is trading at less than \$3.00, [~~five~~one] ([5]1) cent[s]; and (2) if the options series is trading at \$3.00 or higher, [~~ten~~five] ([10]5) cents.

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